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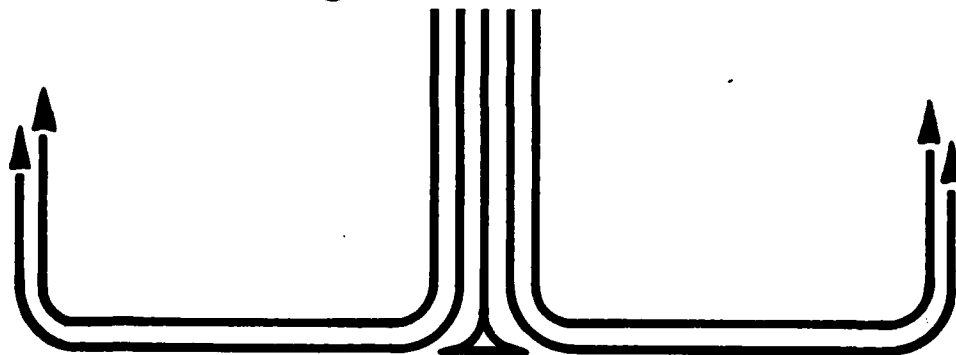
STUDENT REPORT

THE ANALYSIS OF THE ARMY OFFICER
EVALUATION SYSTEM AND THE GENERAL
MOTORS APPRAISAL SYSTEM AS
MANAGEMENT TOOLS

Major George H. Del Carlo

88-0715

"insights into tomorrow"



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**Submitted to the faculty in partial fulfillment of
requirements for graduation.**

**AIR COMMAND AND STAFF COLLEGE
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PREFACE

This material is being submitted to the faculty of Troy State University in Montgomery in partial fulfillment of the requirements for the Masters of Business Administration Degree.

ABOUT THE AUTHOR

Major George H. Del Carlo received a Bachelors of Science Degree in Business Administration in 1972 from the University of Nevada at Reno. Upon graduation he was commissioned through ROTC as a second lieutenant in the Armor Branch of the United States Army. He attended the Armor Officer's Basic Course and the Organizational Maintenance Officer's Course at Fort Knox, Kentucky and was assigned to the 5th Battalion 68th Armor, Mannheim, Germany in July 1973. From 1973 to 1976, the then Lieutenant Del Carlo served as the Battalion Scout Platoon Leader, B Company Executive Officer, and Battalion S-2 Officer earning the Army Commendation Medal for his efforts. In July 1976, he attended the Armor Officer's Advance Course at Fort Knox, Kentucky and upon graduation was assigned to the 3d Battalion 35th Armor, Bamberg, Germany. In this battalion he served as Company Commander of A Company and was then assigned to the 3d Brigade, 1st Armored Division as the Brigade Plans Officer. In 1980, at the completion of the assignment, he earned the Meritorious Service Medal and was assigned to the 4th ROTC Region at the University of Nevada, Reno as an Assistant Professor of Military Science. In this position he earned his second Army Commendation Medal. In June 1983, the then Captain Del Carlo attended the Tactical Intelligence Staff Officer's Course at Fort Huachuca, Arizona, and graduated on the Commandant's List. In September 1983, he was assigned as a Technical Team Leader, Eighth United States Army, Tunnel Neutralization Team, Seoul, Korea, and was promoted to the rank of major. In 1984, he received his second Meritorious Service Medal and was reassigned as the Brigade S-2 Officer, 1st Brigade, 4th Infantry Division (Mechanized) at Fort Carson, Colorado. In April 1985, he was assigned to the 3d Battalion 68th Armor where he served initially as the Battalion Operation's Officer (S-3) and then as the Battalion Executive Officer (2IC). He earned the Army Achievement Medal and his third Meritorious Service Medal while assigned to this Battalion. In July 1987, he was assigned to attend the Air Command and Staff College, Maxwell Air Force Base in Montgomery, Alabama. Major Del Carlo is married to the former Carol Lynn Giudici from Reno, Nevada. Upon completion of ACSC he will be assigned to the Third Army Headquarters in Atlanta, Georgia, with his wife Carol and their dog Zues.

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EXECUTIVE SUMMARY



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"insights into tomorrow"

REPORT NUMBER 88-0715

AUTHOR(S) MAJOR GEORGE H. DEL CARLO

TITLE THE ANALYSIS OF THE ARMY OFFICER EVALUATION SYSTEM AND
THE GENERAL MOTORS APPRAISAL SYSTEM AS MANAGEMENT TOOLS

I. Problem: To analyze the Army Officer Evaluation System (OES) and the General Motors Appraisal System as effective managerial tools in performance evaluations.

II. Overview: Effective performance evaluation systems contain the essential elements of purpose, performance standards, rating scales, rating validity, management by objectives (MBO), and a system to train raters. The Army OES, through the DA Form 67-8-1 (Support Form) and 67-8 (Officer Efficiency Report), allows the rated officer to initiate the evaluation process with his rater. Performance objectives are established and evaluated during the one year appraisal period. The rater then evaluates the officer's performance on the DA Form 67-8. This form is then sent to the next superior officer in the chain of command for his evaluation and final review. The process is completed when the DA Form 67-8 is sent to the Department of the Army Military Personnel Center (MILPERCEN) where the evaluation information is used to determine future promotions, retention, or elimination.

CONTINUED

The GM Appraisal System is also initiated by the evaluated employee with the completion of the GM Form 1426-A (Key Element and Performance Standards Worksheet). Once the performance standards are established they are discussed with the employee's immediate supervisor (the rater). The employee in conjunction with the supervisor complete the GM Form 1426 (Appraisal Worksheet for Salaried Employees) that lists the performance standards. At the end of the appraisal period the supervisor evaluates the employee on the GM Form 1427 (Performance Appraisal Review for Salaried Employees). This completed form is then sent to the General Supervisor (the next higher level manager) who also evaluates the employee and reviews the form. The general supervisor also completes a GM Form 1429 (Appraisal Summary) which is sent to the corporation headquarters and used for promotions, monetary rewards, and/or eliminations.

Both the Army's Officer Efficiency Report and GM's Performance Appraisal Review forms when analyzed against the essential elements of a performance evaluation system contained shortcomings.

III. Conclusions: The Army's OES does not meet the essential elements of (1) establishing measurable performance standards, (2) establishing rating validity, and (3) providing training for the rater. The GM Appraisal System improperly uses MBO evaluations to compare individuals when allocating rewards.

IV. Recommendations: The GM Appraisal System needs to divide their MBO evaluations into work-unit objectives and job functions. This action would provide GM with MBO evaluations that could be used to allocate rewards. The Army OES needs to clearly establish measurable performance standards in the initial meeting between the rated officer and the rater. These standards would then be used in a second discussion period with the senior rater, the immediate rater, and the rated officer. This action would improve rating validity. The Army also needs to establish a rater training program that teaches raters the following; how to determine the strengths and weaknesses of the OES; how to establish performance standards; how to observe, record, and recall observations; and how to provide feedback to rated officers.

Chapter One

INTRODUCTION

The purpose of this paper is to evaluate the United States Army's Officer Evaluation System (OES) and the General Motors (GM) Appraisal Process for Salaried Employees as management tools in performance evaluation and development. A major problem facing both military leaders and managers today is the performance evaluation process. Millions of dollars and thousands of man hours are spent each year implementing appraisal systems that are ". . . intended to reward and motivate employees, improve performance and provide feedback." (12:50) "Although most organizations use a performance appraisal system, few have a system that really works." (30:80) When a system does not work, it causes frustration among the employees and fails to support objectives. This has caused a continued search for an effective system.

For an appraisal system to be effective, it must contain essential elements that give it effectiveness when judged by both management (leaders) and employees. This paper will first establish and explain a list of essential elements that must be included in an appraisal system; second, explain the Army's OES and the GM Appraisal System with their related forms; third, compare both of these systems to the established essential elements; and finally, summarize these comparisons and provide recommendations on both performance evaluation systems.

This paper is organized in the following manner: Chapter Two presents the elements of an effective performance evaluation system, Chapter Three explains the Army's OES and the Officer Efficiency Report (OER) forms (DA Forms 67-8 and 67-8-1) and their use, Chapter Four explains the GM Appraisal System and forms (GM Form 1427, 1426, 1426-A, and 1428) and their use, Chapter Five compares the Army's OES and the GM Appraisal System to the elements established in Chapter Two, and Chapter Six provides a summary and makes recommendations on improving both appraisal systems.

Chapter Two

ELEMENTS OF AN EFFECTIVE PERFORMANCE EVALUATION APPRAISAL SYSTEM

A. Performance Evaluations

An organization of any size is plagued by its constant problem of surviving. In this quest to survive and possibly grow, the organization is forced to use limited manpower resources in the most efficient way. The proper use of manpower is one of management's toughest challenges. To meet this challenge the managerial tool of performance evaluations is used. As with any tool, it is only as effective as its design or as the people using it. "At least two perspectives must be [sic] accounted for in assessing any performance appraisal system. There is (1) the effectiveness of the system as judged by the management of the appraisers and there is (2) the effectiveness of the system as judged by the subordinate employees or the appraisees." (22:21) There are as many different performance evaluation systems as there are organizations and they all have the same basic goal; "... utilizing and developing these vital human resources." (35:75) This chapter presents the elements of (1) Purpose, (2) Performance Standards, (3) Rating Scale, (4) Rating Validity, (5) Management by Objectives (MBO), and (6) Training the Raters. These elements are included in a Performance Evaluation System.

Purpose. The ultimate purpose of an evaluation is to reflect the values of the organization and at the same time, maintain and renew these values. This must be kept in mind when looking into any performance evaluation system.

Its importance derives from the function it serves. A systematic and equitable appraisal system provides information critical for decisions about selecting managers [leaders] and assigning them to appropriate jobs; for the allocation of rewards, both financial compensation and promotion; and the development of managers (information can indicate areas for feedback, further training, and planning a career path to include developmental assignments). (2:376)

Organizations will use their performance appraisals for many different purposes depending on their need.

Performance Standards. One of the elements that make up an

effective performance evaluation system is the establishment of standards.

Before an organization can hope to develop a sound PAR [Performance Appraisal and Review] system, it must make such basic measurement decisions as whether to evaluate ratees on specific job behaviors, personal characteristics, results, or combinations of the three. Defining and labeling the criteria are important preliminary PAR system tasks, . . . (3:29)

These standards must be understood by the employee and be perceived to be fair and just. The statement of standard must include or state the following:

1. What criteria or standards is/are used to measure employee performance?
2. How the performance is measured?

These two statements become the basis for the standards. In conforming to the above criteria, standards must answer the questions of, are the standards critical and are they observable? Performance standards can not measure everything that an employee does. However, one's job performance is usually so dynamic that performance standards cannot be written to measure each employee behavior. As a result, most evaluation systems are reduced to a limited number of manageable standards. George L. Morrissey in his book, Performance Appraisals in Business and Industry, lists nine basic guidelines that will help determine performance standards:

1. They will identify all major areas within which the accountable individual will be expected to invest time, energy, talent, and other resources during the projected time period of commitment.
2. They will include both managerial and operational responsibilities of the accountable individual.
3. They will cover both normal work output expectations and innovations or improvement efforts.
4. They will include "soft" or difficult-to-measure areas, such as Staff Development, Organizational Relationships, and Public Relations, as well as "hard" tangible areas that are easier to measure, such as Personal Production, Unit Production, and Cost Control.
5. They will not necessarily cover the entire job, but will instead identify the "critical few" areas in which priority effort should be directed.
6. Each will be limited, generally, to one, two, or three words.
7. They will not represent activities as such, but rather areas within which activities and, more importantly, results will occur.

8. Each will not be measurable as stated, but will contain elements that are capable of being made measurable.

9. Collectively, they will form a basis for effective communication up, down, and across organizational lines. (7:28-29)

Rating Scale. The third element of the performance evaluation system is the rating scale. Scales can take many forms but they must be able to put a number or word value on the employee's performance. The number of divisions on the rating scale is not as important as clarity of the rating. Three common types of rating scales are numerically-anchored, adjective-anchored, and behaviorally-anchored, or BARS. "... all appraisal methods are designed to assist raters in their judgement task. They are not designed as substitutes for a rater's sound judgement and lack of bias, experience with and understanding of the appraisal format..." (3:102) Which rating scale used is a matter of organizational preference but it should be perceived as valid by the employee.

Rating Validity. The next factor considered is the quality of the rating. Ratings must be "valid" if they are to be accepted by the employee. There is no sure way to measure the accuracy of ratings, but there are indicators or conditions that should be met to insure the validity of the rating. (1:Ch 1) The first of these conditions is acceptability. To achieve acceptability the top management's attitude toward ratings seems to be the deciding influence on whether ratings are accepted or not. If management presents the feeling ratings are important, this feeling is communicated to the rater who will instinctively put more into their efforts. The most successful way to win acceptance is to not only involve the rater in building a rating program but also to involve the people who are rated. Although this may consume a great deal of time, it is the best way to insure acceptance.

Prior agreement between the manager and the employee on what constitutes satisfactory performance is rare.... [if] the manager fails to set clear standards and then feels guilty about confronting the employee for not meeting them. The resentful employee blames the boss and the company. Result: Less incentive to do the job well. (10:59)

The second condition is reliability. If a rating procedure is to be of value, independent judgements should show enough commonality to indicate the different raters are measuring things the same. If two raters give their opinions on an individual and there is a great difference between the two, then there is no way to know which rating, if any, to accept. When the process can not guarantee that two equally qualified raters can give the same

ratings, then the criterion of reliability is violated. (19:33) To insure ratings are reliable the raters must receive intensive training on rating procedures. Acceptability and reliability will give validity to performance evaluations and the use of objectives as a basis for management.

Management by Objectives (MBO). This evaluation element centers on the idea of setting goals to motivate human behavior. As many as 60% of the U.S. firms are using MBO in their performance evaluation systems. (20:26) MBO is getting managers more involved in performance evaluations and in the allocation of limited resources.

Some writers (e.g. McGregor, 1957) saw MBO as a means of making management more humanistic and participative... By forcing managers and units to state the purpose for which resources are to be used, their resource allocation can be evaluated. (3:140-1)

MBO is encouraging employee participation in establishing goals that are in congruence with organizational goals. This process establishes goals that can be evaluated with the individual more involved. MBO has become questionable in effectiveness when used in assigning rewards. There is "...no way of knowing whether the goal-setting framework might serve as the basis for an ongoing PA system that dictates important personnel decisions (e.g., regarding merit pay or promotion)." (19:26) Although criticized, MBO has led to more participative management. The use of MBO as a measurement in performance evaluations puts added emphasis on rater training. (19:29-30)

Training the Rater. "Training raters to conduct proper appraisals and to avoid bias is an extremely important step that is sometimes omitted by employers." (32:24) This oversight by employers has the potential to destroy the effectiveness of the organization's evaluation system. When raters are not properly trained they become more subjective and less objective. Raters must establish standards of performance, objectively evaluate them, and be aware of typical rating errors.

Raters must be trained to establish performance standards that are realistic, measurable, and challenging. Without adequate training this is difficult to accomplish. The rater's level of knowledge on a rating scale will determine if they can measure performance effectively. This lack of training also leads to rating errors.

Typical rating errors are halo effect, error of central tendency, and similar-to-me effect. "The halo effect is the rating of an employee excellent in one quality, which in turn influences the rater to give that same employee a similar rating on other qualities." (26:104) Central tendency error "...is

rating of all individuals in the middle of the scale." (26:104) The similar-to-me effect is rating an individual "... according to how the rater views the rated employee in relation to him or herself." (26:104) These errors are reduced through rater training.

Training programs for raters vary in content and methods. Regardless of the method, the training should include the following areas:

1. Observation of work behavior. Knowing what to observe and how often to observe. Recognizing the behaviors to be observed when they are evidenced by ratees. Possessing knowledge of the ratee's job. Making representative observations free from perceptual biases. Making observations within the perspective of some standard or criteria.
2. Storage of observations. Storing information for later use.
3. Recall of observations. Retrieving the majority of the observed information when required.
4. Judgement. Evaluating the appropriateness of the observed behaviors in light of some standard or criteria. Using the judgements to complete a performance appraisal form. Ability to make accurate judgments relatively free from bias and prejudice and without fear of dealing with negative consequences of harsh (but accurate) ratings.
5. Feedback. Providing complete, accurate feedback to the ratee on his/her performance in a "problem-solving" performance appraisal review session, as well as throughout the entire appraisal period. Providing complete, accurate information on performance levels, potential, developmental needs, etc., for use by the organization in human resource decision-making. (3:240)

Training of the rater in all aspects of a performance evaluation system will insure the system is accurate, fair, and free from bias. (32:26)

B. Summary

There are unlimited variations to appraisal systems but the key elements discussed in this chapter will insure each system's effectiveness. The process starts with creating clear and measurable performance standards. Then a rating scale is established to assist the raters in their judgements. The scale must be known by all and possess sufficient guidelines to make it valid. Acceptability and reliability are key to insuring

validity. The use of goals or objectives (MBO) in an appraisal system involves both the rater and the ratee. MBO is also a excellent way to manage limited resources. Including these key elements in an appraisal system requires adequate rater training.

Effective rater training eliminates the subjectivity from the appraisal process. Indepth training on observing, measuring, judging, and recording information is required. Many companies do not provide adequate training for managers on the appraisal process. Trained raters combined with a system containing the key elements listed in this chapter will increase appraisal effectiveness.

Chapter Three

THE ARMY OES AND ASSOCIATED FORMS

A. Purpose

The purpose of the Army Officer Evaluation System is to identify ". . . officers who are best qualified for promotion and assignment to positions of higher responsibility. It also identifies officers who should be kept on active duty, . . . retained in grade, . . . [or] eliminated." (38:5) Under this system, the officer is evaluated on their work performance and potential.

The officer's work performance is evaluated on the Officer Evaluation Report (OER) form (DA Form 67-8, Appendix A) and through the Department of the Army (DA), which evaluates all the OER's in their personnel file. The OER is a ". . . single time-and-place evaluation . . ." (38:5) and is used to make Department of the Army (DA) evaluations. DA evaluations focus on an officer's potential and are judgements on the officer's ability to perform at higher grades, whether an officer should be retained, and whether they should be given greater responsibility in their present grade. This chapter will describe the OER Support Form, the OER Form, and the officer evaluation process.

B. Officer Evaluation Reporting System

The OER form is designed to:

1. Set objectives for the rated officer that support their organization's mission.
2. Review the rated officer's objectives and update them to meet current needs.
3. Promote performance-related discussions and develop subordinates.
4. Evaluate officer performance.
5. Assess the rated officer's potential.
6. Ensure a review of the entire process. (38:Ch 4)

This form is filled out once a year and is designed to determine the quality of the rated officer's job performance. Additionally, future job positions can be made from the information contained in the OER. Other uses of this form are:

1. Places emphasis on senior/subordinate (rater/ratee) communication and focuses attention on constructive problem solving through increased senior/subordinate work relations.
2. Provides a chain of command evaluation of an officer's performance and potential.
3. Allows the rater to give shape and direction to the rated officer's performance.

The primary function of the form is to provide information to DA for use in making personnel management decisions. Each report is a comprehensive appraisal of an officer's abilities, weaknesses, and potential. From these, decisions can be made on an officer's professional development. (38:Ch 1)

C. The Evaluation Reporting Process

The evaluation process starts at the beginning of the rating period. "At that time, the rated officer and rater have a face-to-face discussion of duties and objectives. A DA Form 67-8-1 [see Appendix B] will be used as a worksheet to record the discussion." (38:6) This form names the rater and the other members of the rating chain. The rated officer uses this form to describe his/her principle duties, objectives, and significant contributions to the organization. Once established, these objectives enable the rater "to identify the rated officer's most important tasks, priorities, and major areas of concern and responsibility." (38:11) Once the objectives are agreed upon, the worksheet is kept by the rated officer. It is continually reviewed and updated throughout the rating period.

At the end of the rating period, the rated officer receives an OER form (DA Form 67-8) and a new DA Form 67-8-1. The rated officer verifies the personal information contained in part II of the OER form and completes the support form. Part C of the form (significant contributions) is filled out at this time. Both of these forms are then given to the rater.

The rater reviews the DA Form 67-8-1 and fills out his/her portion of the OER form. This is the actual evaluation form and it ". . . may include information from the . . . DA Form 67-8-1." (38:12)

The OER form is divided into seven parts: Part I, Administrative Data; Part II, Authentication; Part III, Duty Description; Part IV, Performance Evaluation--Professionalism; Part V, Performance and Potential Evaluation (Rater); Part VI, Intermediate Rater Comments; and Part VII, Senior Rater Comments. The rated officer verifies the information contained in part I and signs his/her name. The rater is responsible for filling out Parts II thru V, which includes the rating scales in Parts IV and V. Part VI is only completed if applicable (This is only used

when a rated officer works for a person other than the rater for part of the rated period. For instance, chaplains assigned to a battalion would be rated by the battalion executive officer and also the division chaplain. In this example, the division chaplain would be the intermediate rater and the battalion commander the senior rater). Part VII is completed by the senior rater.

"The senior rater's evaluation is made by comparing the rated officer's potential with all other of the same grade, or grade grouping, in the case of lieutenants." (38:16) The senior rater also provides a final review.

The completed OER form is then forwarded to the Department of the Army (DA) and placed in the rated officer's Official Military Personnel File (OPMF). The OPMF is used for information when officers are considered for promotion, retention, or elimination. All OPMF's are reviewed when the officer is eligible (based on time in grade and service) for promotion. This review is completed by a selected board of senior ranking officers.

C. Summary

The process is based on input from the rated officer in discussion with his/her rater and then the evaluation is completed at the end of the rating period. The DA form 67-8-1 is used to open a face-to-face discussion between the rated officer and the rater. Performance objectives are established and are updated during the rating period with this form. It also allows the rated officer to input their significant contributions into the evaluation process. The rater, using the DA form 67-8-1, fills out the OER Form evaluating the officer on professionalism, duty performance, and potential. The form then goes to the senior rater who addresses potential and reviews the form. Upon completion, the form is forwarded to DA and placed in the rated officer's OPMF.

Chapter Four

THE APPRAISAL PROCESS FOR SALARIED EMPLOYEES AT GENERAL MOTORS

A. Purpose

The system currently being used by GM was established in 1976. It was designed to be a fair and consistent performance appraisal, and has become the cornerstone for the GM "all merit" approach to salaried administration. The GM performance appraisal is also used for the selection and placement of individuals into higher level jobs. This promotion includes a monetary increase as well as an increase in responsibility. (6:I-1) This chapter will address the four phases of the GM Appraisal Cycle by examining its associated forms beginning with the establishment of performance standards on the GM Form 1426-A; then the Form 1426, Employee Appraisal Worksheet (Appendix D); the Performance Appraisal Form, Form 1427 (Appendix E); and finally, the Appraisal Summary, Form 1429 (Appendix F).

B. The Appraisal Cycle

The GM appraisal cycle is composed of four interacting phases. Phase I is Performance Planning; Phase II is Ongoing Performance Review; Phase III is Completing the Appraisal Forms; and Phase IV is Completing the Appraisal Discussion.

The cycle, planning for performance, begins by describing the key elements required for a particular job and the performance standards for these elements. "The key elements of a job are those areas in which your employee is expected to achieve results. Key elements might also be called 'major responsibilities,' 'primary duties,' or 'important functions' of the job." (6:1-3) These performance standards are specified in advance so the appraised individual will know the basis for measurement. The key elements and performance standards are listed on GM Form 1426-A (Appendix C) and are reviewed throughout the year to insure they remain valid. The key elements are established by the employee's supervisor and are listed on the GM Form 1426-A. In addition, the form lists five supplemental key job elements. These are: Organize and Plan, Communicate Information, Work with Others, Meet EEO Responsibilities, and Develop Subordinates. All supervisory personnel are appraised on these supplemental key elements. Non-

supervisory personnel are only appraised on the supplemental key elements that apply to their job. (6:1-17,1-35 - 1-38)

The next phase in the appraisal cycle is at the end of the appraisal year when the Employee Appraisal Worksheet GM Form 1426 (Appendix D), the Performance Appraisal Review GM 1427 (Appendix E), and the Appraisal Summary GM Form 1429 (Appendix F) are completed.

The Employee Appraisal Worksheet is given to the employee and they can complete any or all parts. There is no requirement for the employee to fill it out. The worksheet is designed to insure the employee view points are considered in the appraisal process and to insure their short and long range career goals are known. The form asks the employee to:

- A. Describe key elements of their job.
- B. List major accomplishments.
- C. Identify performance difficulties.
- D. Suggest action plans for increasing their effectiveness.
- E. Describe career goals and interests.
- F. Indicate their primary and secondary field of interest.
- G. Note comments or questions for discussion. (6:3-7)

Once the supervisor (rater) receives the worksheet, he completes the Performance Appraisal Review form (GM Form 1427, Appendix E). Page one of the GM Form 1427 contains a list of key elements, provides space for a written performance summary of those key elements, and contains the performance ratings. Page two is a summary of the employee performance for the supplemental key job elements and their rating. On page three the overall performance ratings and the future action plan is recorded. The last page, four, is where the form is signed. (6:Sect 3) This form is reviewed by the next higher supervisor and is designed to add the supervisor's observations into the appraisal process. This insures that the employee's appraisal reflects the observations of two appraisers.

The second level supervisor then fills out the Appraisal Summary Form with input from the rater and the Appraisal Review form. This form is used to establish an estimate of the employee's potential level and their readiness for other assignments.

The Appraisal Review (GM 1427) and Summary forms (GM 1429) are then discussed with the employee. These forms are then put into the employee's personal file with copies sent to the GM Division Headquarters in Flint, Michigan. The information contained on the Summary Form is entered into a computer and when a job position becomes available the computer prints a list of

qualified employees. From this list a person is selected for the new job.

C. Summary

The appraisal cycle is based on the establishment of key elements of a job and the establishment of performance standards to measure the performance. The employee has some input into the system through the Appraisal Worksheet. The Appraisal Review is filled out by the first level supervisor and then reviewed by the second level supervisor prior to the discussion with the employee. The Summary Form is used to provide the necessary information for the GM Division Headquarters to fill open positions in their organization. The Appraisal Review serves as the basis for the merit increases available for individual performance.

Chapter Five

COMPARISON OF THE ARMY OES AND GM APPRAISAL SYSTEM TO ELEMENTS OF A PERFORMANCE EVALUATION

A. Purpose

This chapter will evaluate the Army OES and the GM Appraisal System. The elements listed in Chapter Two are used for the evaluation. Specifically, the analysis addresses the establishment of performance standards, rating scales, rating validity, MBO in each system, and finally, each system's rater training. The element of purpose will not be discussed as both appraisal system's purpose are explained in Chapters Three and Four. The differences between the key elements and both performance evaluation systems are highlighted in this chapter.

B. Elements

Establishment of Standards. In this area, both the Army OER Support Form (DA Form 67-8-1, Appendix A) and the GM Performance Worksheet (GM Form 1426-A, Appendix C) are intended for this purpose.

The Army Support Form establishes performance objectives but not measurement criteria. The use of this form only initiates "... the communication process between the rater and rated officer ..." (38:11) It gets the rated officer involved at the start of the process but does not require the establishment of measurement standards. The absence of measurement criteria enables the rater to base his/her ratings on any variety of observations or data. Left to his discretion, the standards can change throughout the rating period. "Many people don't learn the standards of their jobs until they get fired, says Jim Hays, chairman of the consulting firm Human Resources Services." (10:59) If the rater does establish the performance standards, there is no provision in the Army OES requiring the rater to brief the rated officer of these standards.

Unlike the Army system, the GM Appraisal System, with its emphasis on key elements of jobs, establishes performance standards that have measurement criteria. The Performance Standards Worksheet is where these are created. In GM's Appraisal Process for Salaried Employees, supervisors manual, four characteristics are listed: "Objective, clear and concise, job centered, and results-orientated." (6:1-5) It goes on to state,

"Standards of excellence [performance standards] are critical observable actions." (6:1-25) GM's definition of observable "...is an action you can see or keep track of in the normal course of your duties as a supervisor." (6:1-26) This added emphasis in establishing performance standards insure they are measurable.

Rating Scales. The Army OER rating scale is based on degrees from the high of 1 to a low of 5, with 3 being average. This type of rating scale leads to the error of central tendency. "It is the "safe" rating, since no one receives particularly good or particularly poor ratings." (26:104)

The OER also requires the rater to give number values to different statements in Part IV of the form. This causes a problem with being able to quantify the rated officer's behavior, or work performance. "The perfect boss should be able to keep these categories separate and equally distinct from one another. But few of us can make such exact distinctions consistently." (36:146)

The OER also has a rating scale in Part V where five ratings are listed to evaluate performance and potential. Again, the rating scale's division can lead to central tendency error and problems with rating distinction. "Even when measurement standards are clear and shared by manager and employee, managers can rarely distinguish performance levels accurately." (14:67) The scale division in five rating degrees and the distinction problems make the evaluation more subjective.

The last area on the OER that involves a rating is Part VII where the senior rater is required to compare the rated officer to their peers. This is called "...paired comparisons. Here the manager loads the individual assessments she has made of her employees into a kind of deck of cards, then ranks each person against all the others . . ." (36:146) Forcing rated officers into a distribution curve causes the senior rater to have an established percentage of top, average, and low performers. This combined with the human tendency to stereotype individuals, leads to subjective evaluations.

In the GM Appraisal Form (GM Form 1427, Appendix D), the rating scales are based on a six point scale. The ratings go from "outstanding" to "needs much improvement". This reduces the error of central tendency as there is no average, or middle rating. This rating scale requires the supervisor to distinguish the different levels of performance. "True scoring and differential accuracy may be extremely difficult to obtain..." (26:323) Again, the problem of subjectivity enters into the evaluation process. This subjectivity destroys the validity of the ratings.

Rating Validity. As described in Chapter Two, the system must meet the conditions of acceptability and reliability. Both,

the Army's OER and the GM Appraisal Forms are created with input from the rated individual. The Army system does not clearly establish measurable standards and, as a result, loses acceptability. On the other hand, the GM form, because of its added emphasis on measurable performance standards, maintains acceptability. The reliability of the OER form is based on how the Army's promotion boards place emphasis on the different ratings. "The Army Military Personnel Center (MILPERCEN) freely acknowledges . . . that the senior rater section of the OER form is the single most important section of each OER in an officer's file." (27:11) This emphasis by MILPERCEN causes the form to lose validity because the rated officer does not discuss the support form with the senior rater. The GM Form (1427), because of the clearly established key elements and performance standards, maintains its reliability as all sections of the form are equally weighted in the promotion or elimination process.

Management By Objectives. Both of these systems use MBO in their evaluation system. The Army's Support Form and the GM Appraisal Worksheets are based on establishing objectives for the rated individual. "The outcome of this process is a set of objectives for the employee." (20:26) With the evaluation based on meeting these objectives a problem is created. MBO was not designed to compare rated individuals.

MBO neither proposes nor provides a measurement system that permits a comparison of ratee's scores. Thus, any time PA (performance appraisal) data are to be used for the purpose of comparing ratee's performance, the management strategy of MBO has little (or nothing) to contribute . . . (19:26)

Both the Army OER and the GM Appraisal forms are used for promotions or eliminations.

Training the Rater. The effectiveness of an appraisal system is only as good as the people using it. "Employees who receive misleading information about their job performance may face dire consequences. Raters, too, may suffer directly when their units do not perform as required." (25:28)

The Army has no established training program for raters. The administrative processing of an OER is addressed in correspondence sources but that falls far short of training the rater. AR 623-105, Officer Evaluation Reporting System, only addresses how, when, and whom should complete the form. In many cases, OER rater training is often left to the individual.

GM has an established training module that provides indepth training on the appraisal system. The module tells ". . . what is expected of you as a supervisor in General Motors." (6:I-1) It involves a week long class, either in Michigan or in each GM

location, by a teaching team. In addition, each supervisor is provided a Supervisor's Manual on the Appraisal Process for Salaried Employees. Through these methods the supervisor at GM receives instruction on being an effective rater.

C. Summary

The Army OES fails to adequately meet the performance appraisal requirements of: establishing performance standards; providing rating validity; and training the raters. MBO is used in the evaluation of performance, but then the ratee's results are compared for promotion and/or elimination. The greatest shortfall in the system is not providing training for the raters.

The GM Appraisal System adequately meets the requirements of all key elements except MBO. GM compares the results of their MBO based appraisals for promotions and rewards.

Chapter Six

CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSIONS

An effective performance evaluation system must measure performance, motivate employees, and develop them within the organization. To accomplish this, an evaluation system must contain six elements: a purpose, performance standards, a rating scale, validity in ratings, the use MBO, and a rater training program.

The Army OES and the General Motors Appraisal System are two managerial tools used by these organizations to properly use their limited manpower resources. Both have a process that begins with input from the rated individual, the establishment of performance standards or objectives, an evaluation by a supervisor, and a evaluation/review by a senior rater. Both have established rating periods and special forms to implement the process.

In comparing these systems to the elements established above, the Army's system does not adequately meet three of the elements. The GM system adequately meets five out of six of the elements.

The Army OES does not meet the elements of establishing measurable performance standards, rating validity, and training the rater. The GM appraisal system only has a problem with using MBO evaluations to compare individuals when allocating rewards.

B. Recommendations.

There are three recommendations as a result of this research project. The first concerns the GM Appraisal System using MBO to compare individuals for rewards and promotions. The second and third recommendations are to improve the Army's OES in the establishment of performance standards, rating validity, and rater training.

The MBO problem in the GM appraisal system can be solved by splitting:

. . . the domain of performance into two distinct yet complimentary perspectives and to decide which of these perspectives is more appropriate to the purpose of MBO and which to performance appraisal, . . . any individual's

position in an organization during a specified period can be divided into (1) the work-unit objective that must be met and (2) the job functions that the incumbent must carry out to meet those objectives. (20:30)

MBO would be used to establish the work-unit objective while the appraisal process would use the job functions as the basis for comparisons to allocate rewards. GM needs to use this approach when using MBO in their appraisal system.

The Army's OES problem of establishing measurable performance standards can be eliminated during the initial meeting between the rated officer and the rater. At this meeting, using the DA Form 67-8-1, not only should performance objectives be established, but with each objective the measurable standard should also be included. Once the performance objective and standards are clearly established, they can be listed on the DA Form 67-8-1. This action can be used as the initial step in eliminating the problem of rating validity in the Army OER. The rated officer and the rater can take the completed form to the senior rater and all three should discuss the performance objectives and measurement standards. This three way meeting would allow the senior rater to become more involved initially and the DA Form 67-8-1 would then be the basis for the senior rater's evaluation of the rated officer. These two actions, the inclusion of performance standards and the meeting between rated officer, rater, and senior rater, would eliminate the problem of rating validity.

The last recommendation is for the U.S. Army to create and implement a rater's training program. This program should include the following areas of instruction:

1. General training to understand the characteristics of the entire OES. The purpose(s) of the system should be established in the training. The strengths and weaknesses of the entire system should receive special attention.

2. The next area to be addressed is establishing performance standards. The objective of this training should be to establish performance standards (or goals) that are measurable, clear and concise, realistic, and able to motivate officers. If these are created in conjunction with the rated officer then additional training on how to conduct these sessions would be required.

3. How to observe, record, and then recall behavior observations is the next area of training. This is critical in making the actual judgements on ratings. Included in this should be the pitfalls of typical rating errors. A system of recording observed behavior throughout the appraisal period should be taught to the raters. This will instill a systematic method to their evaluations and reduce subjectivity.

4. The last area of training should be a class on providing positive and negative feedback to employees. This should include how to conduct the initial discussions with the employee, how to

provide feedback during the rating period, and how to provide feedback during the appraisal review.

With the implementation of these four areas of rater training the U.S. Army's OES can be a more effective managerial tool.

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Read Privacy Act Statement on Reverse before Completing this form

PART I - RATED OFFICER IDENTIFICATION

NAME OF RATED OFFICER (Last, First, MI)	GRADE	ORGANIZATION
--	--------------	---------------------

PART II - RATING CHAIN - YOUR RATING CHAIN FOR THE EVALUATION PERIOD IS:

RATER	NAME	GRADE	POSITION
INTERMEDIATE RATER	NAME	GRADE	POSITION
SENIOR RATER	NAME	GRADE	POSITION

PART III - VERIFICATION OF INITIAL FACE-TO-FACE DISCUSSION

AN INITIAL FACE-TO-FACE DISCUSSION OF DUTIES, RESPONSIBILITIES, AND PERFORMANCE OBJECTIVES FOR THE CURRENT RATING PERIOD TOOK PLACE ON _____
 RATED OFFICER'S INITIALS _____ RATER'S INITIALS _____

PART IV - RATED OFFICER (Complete a, b, and c below for this rating period)

a. STATE YOUR SIGNIFICANT DUTIES AND RESPONSIBILITIES

DUTY TITLE IS _____, THE POSITION CODE IS _____

b. INDICATE YOUR MAJOR PERFORMANCE OBJECTIVES

APPENDIX A

DA FORM 67-8-1

c. LIST YOUR SIGNIFICANT CONTRIBUTIONS

SIGNATURE AND DATE

PART V – RATER AND INTERMEDIATE RATER (Review and comment on Part IVa, b, and c above.
Insure remarks are consistent with your performance and potential evaluation on DA Form 67–8.)

a. RATER COMMENTS (Optional)

SIGNATURE AND DATE (Mandatory)

b. INTERMEDIATE RATER COMMENTS (Optional)

SIGNATURE AND DATE (Mandatory)

DATA REQUIRED BY THE PRIVACY ACT OF 1974 (5 U.S.C. 552a)

- 1. AUTHORITY:** Sec 301 Title 5 USC; Sec 3012 Title 10 USC.
- 2. PURPOSE:** DA Form 67–8, Officer Evaluation Report, serves as the primary source of information for officer personnel management decisions. DA Form 67–8–1, Officer Evaluation Support Form, serves as a guide for the rated officer's performance, development of the rated officer, enhances the accomplishment of the organization mission, and provides additional performance information to the rating chain.
- 3. ROUTINE USE:** DA Form 67–8 will be maintained in the rated officer's official military Personnel File (OMPF) and Career Management Individual File (CMIF). A copy will be provided to the rated officer either directly or sent to the forwarding address shown in Part I, DA Form 67–8. DA Form 67–8–1 is for organizational use only and will be returned to the rated officer after review by the rating chain.
- 4. DISCLOSURE:** Disclosure of the rated officer's SSN (Part I, DA Form 67–8) is voluntary. However, failure to verify the SSN may result in a delayed or erroneous processing of the officer's OER. Disclosure of the information in Part IV, DA Form 67–8–1 is voluntary. However, failure to provide the information requested will result in an evaluation of the rated officer without the benefits of that officer's comments. Should the rated officer use the Privacy Act as a basis not to provide the information requested in Part IV, the Support Form will contain the rated officer's statement to that effect and be forwarded through the rating chain in accordance with AR 623–105.

PART I - ADMINISTRATIVE DATA

a. LAST NAME FIRST NAME MIDDLE INITIAL			b. SSN	c. GRADE	d. DATE OF RANK Year Month Day			e. BR	f. DESIGNATED SPECIALTIES	g. PMOS (WO)	h. STA CODE	
i. UNIT, ORGANIZATION, STATION, ZIP CODE OR APO, MAJOR COMMAND					j. REASON FOR SUBMISSION					k. COMD CODE		
l. PERIOD COVERED			m. NO. OF MONTHS	n. MILPO CODE	o. RATED OFFICER COPY (Check one and date) <input type="checkbox"/> 1. GIVEN TO OFFICER <input type="checkbox"/> 2. FORWARDED TO OFFICER			p. FORWARDING ADDRESS				
FROM		THRU										
Year	Month	Day	Year	Month	Day							
q. EXPLANATION OF NONRATED PERIODS												

PART II - AUTHENTICATION (Rated officer signature verifies PART I data and RATING OFFICIALS ONLY)

a. NAME OF RATER (Last, First, MI)	SSN	SIGNATURE	DATE		
GRADE, BRANCH, ORGANIZATION, DUTY ASSIGNMENT					
b. NAME OF INTERMEDIATE RATER (Last, First, MI)	SSN	SIGNATURE	DATE		
GRADE, BRANCH, ORGANIZATION, DUTY ASSIGNMENT					
c. NAME OF SENIOR RATER (Last, First, MI)	SSN	SIGNATURE	DATE		
GRADE, BRANCH, ORGANIZATION, DUTY ASSIGNMENT					
d. SIGNATURE OF RATED OFFICER	DATE	e. DATE ENTERED ON DA FORM 21	f. RATED OFFICER MPO INITIALS	g. SR MPO INITIALS	h. NO. OF INCL

PART III - DUTY DESCRIPTION (Rater)

a. PRINCIPAL DUTY TITLE	b. SSI/MOS
c. REFER TO PART IIIa, DA FORM 67-8-1	

PART IV - PERFORMANCE EVALUATION - PROFESSIONALISM (Rater)

a. PROFESSIONAL COMPETENCE	(In Items 1 through 14 below, indicate the degree of agreement with the following statements as being descriptive of the rated officer. Any comments will be reflected in b below.)	HIGH DEGREE 1	2	3	4	LOW DEGREE 5
1. Possesses capacity to acquire knowledge/grasp concepts						
2. Demonstrates appropriate knowledge and expertise in assigned tasks						
3. Maintains appropriate level of physical fitness						
4. Motivates, challenges and develops subordinates						
5. Performs under physical and mental stress						
6. Encourages candor and frankness in subordinates						
7. Clear and concise in written communication						
8. Displays sound judgment						
9. Seeks self-improvement						
10. Is adaptable to changing situations						
11. Sets and enforces high standards						
12. Possesses military bearing and appearance						
13. Supports EO/EFO						
14. Clear and concise in oral communication						
b. PROFESSIONAL ETHICS (Comment on any area where the rated officer is particularly outstanding or needs improvement)						
1. DEDICATION 2. RESPONSIBILITY 3. LOYALTY 4. DISCIPLINE 5. INTEGRITY 6. MORAL COURAGE 7. SELFLESSNESS 8. MORAL STANDARDS						

APPENDIX B

DA FORM 67-8

PART V – PERFORMANCE AND POTENTIAL EVALUATION (Rater)

A. RATED OFFICER'S NAME

SSN

RATED OFFICER IS ASSIGNED IN ONE OF HIS/HER DESIGNATED SPECIALTIES/MOS

<input type="checkbox"/>	YES
--------------------------	------------

☐ NO

b. PERFORMANCE DURING THIS RATING PERIOD. REFER TO PART III, DA FORM 67-8 AND PART III a, b, AND c, DA FORM 67-8-1

**ALWAYS EXCEEDED
REQUIREMENTS**

USUALLY EXCEEDED
REQUIREMENTS

MET REQUIREMENTS

OFTEN FAILED REQUIREMENTS

11

USUALLY FAILED REQUIREMENTS

e. COMMENT ON SPECIFIC ASPECTS OF THE PERFORMANCE. REFER TO PART III, DA FORM 67-8 AND PART III a, b, AND c, DA FORM 67-8-1. DO NOT USE FOR COMMENTS ON POTENTIAL!

d. THIS OFFICER'S POTENTIAL FOR PROMOTION TO THE NEXT HIGHER GRADE IS

114

**PROMOTE AHEAD OF
CONTEMPORARIES**

114

PROMOTE WITH CONTEMPORARIES

11

DO NOT PROMOTE

11

OTHER (Explain below)

g. COMMENT ON POTENTIAL

PART VI – INTERMEDIATE RATER

8. COMMENTS

PART VII – SENIOR RATER

a. POTENTIAL EVALUATION (See Chapter 1, AR 623 105)

b COMMENTS

SR

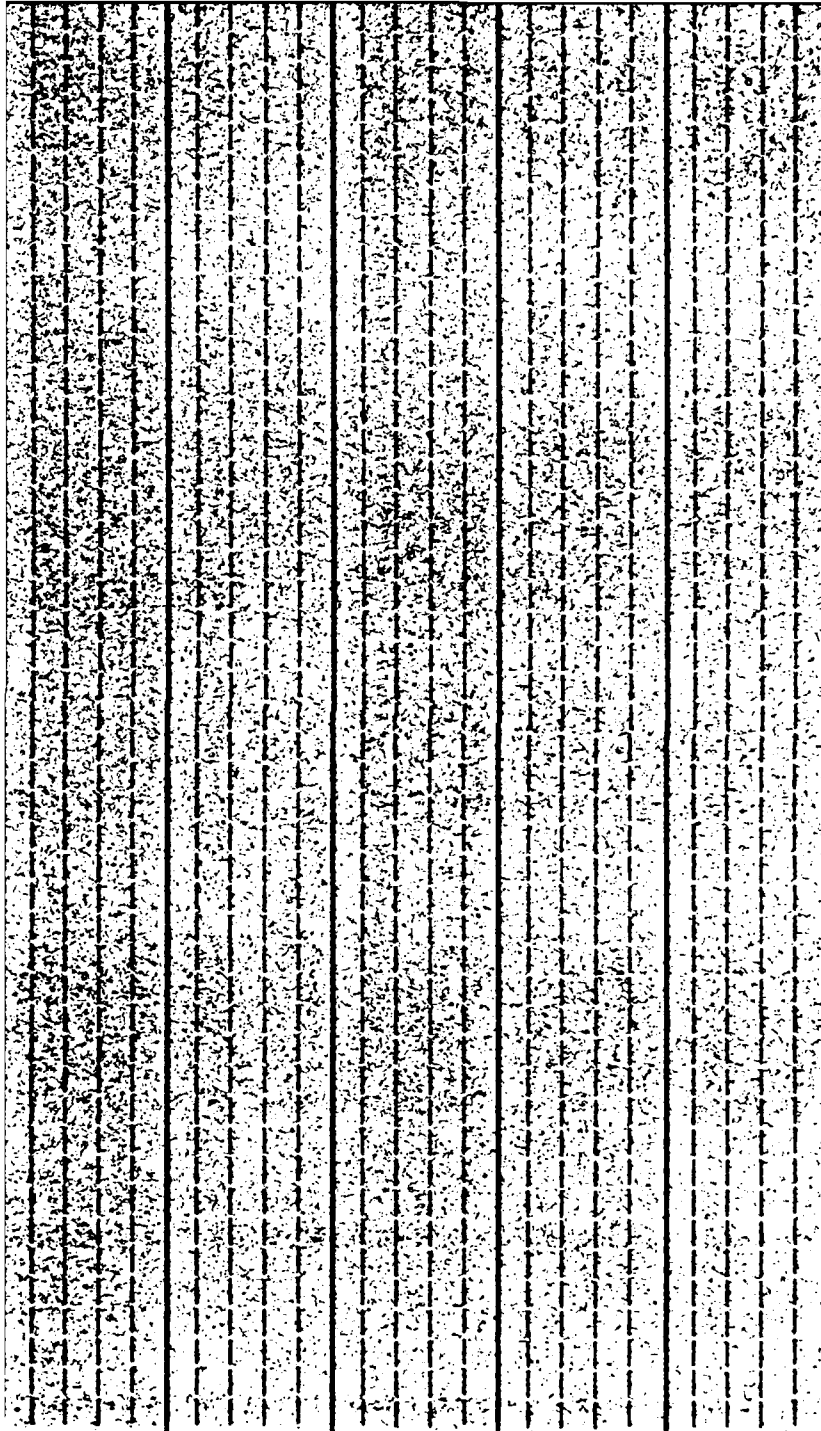
**DA
USE ONLY**

HI

LO

A COMPLETED DA FORM 67-8-1 WAS RECEIVED WITH THIS REPORT AND CONSIDERED IN MY EVALUATION AND REVIEW

☐ YES☐ NO (Explain in b)



PERFORMANCE STANDARDS

SUPPLEMENTAL KEY JOB ELEMENTS

ORGANIZE AND PLAN:

organizing the job; planning ahead; making efficient use of time; establishing appropriate and effective follow-up procedures.

COMMUNICATE INFORMATION:

expression in both oral and written communication; organization of communication; appropriate use of language.

WORK WITH OTHERS:

volving others in cooperative problem solving; leading and decision-making; encouraging suggestions; accomplishing results in a way which builds and maintains personal dignity; mutual respect; fair treatment and the free exchange of ideas.

DEVELOP SUBORDINATES:

training subordinates; giving instructions; coaching; counseling; appraising performance; referring employees to appropriate sources of assistance for solving personal problems which affect performance.

MEET EEO RESPONSIBILITIES:

achievement of organizational EEO objectives; demonstrated sensitivity in EEO areas; active implementation of management responsibilities in this area.

Supervisor

Date

Employee

Date



APPRAISAL WORKSHEET FOR SALARIED EMPLOYEES

NAME: _____ JOB TITLE: _____

The appraisal process is intended to help both you and the organization. Completing this worksheet and returning it to your supervisor will contribute to your appraisal in two ways:

- It will assure your viewpoints are considered as your performance is appraised.
- It will help make your appraisal interview more productive.

- It will help make your appraisal interview more productive.

If you need more space for any item, please use a separate sheet of paper and attach it to this (one).

Section I – Key Job Elements Describe Your job as you see it in terms of key elements. Other words meaning about the same are: major responsibilities, primary duties, or important functions. Here are some questions to help you identify the key elements of your job. What important results are expected of you? What does your supervisor emphasize? On what things do you spend a lot of time and effort? What important things wouldn't get done if your job didn't exist? If you supervise others, include the following job elements: Organize and Plan, Communicate, Information, Work with Others, Meet, EEO Responsibilities, and Develop Subordinates. Even if you do not supervise others you may use these elements if they apply to your job.

APPENDIX D

Unit II — Major Contributions: Review each job element and note any contributions you have made. These may include an important problem solved, an idea implemented, an improvement in your job, the accomplishment of a work goal, or the successful completion of a difficult assignment.

III -- Performance Difficulties. Review each job element and note "trouble spots" -- things that happened that made you less effective than you could be. Any support you need to remove these difficulties.

Section IV - Action Plans: Thinking through your job elements, contributions, and performance difficulties allows sound action planning. As you develop plans, use these guidelines.

- Action plans should consist of things you can do to increase your effectiveness or remove performance difficulties.
- Action plans should be specific enough so that you know when they have been accomplished.
- Action plans should indicate whether training or education would be helpful.

You and your supervisor should spend enough time discussing these plans to assure they are realistic and in line with other goals of your department.

Section V - Career Goals: Describe your short and long range career goals

Now you have an opportunity to enter your career interests in the General Motors Employee Information System. This will assure that management is aware of your interests when job openings occur. From the codes for fields of work accompanying this worksheet, select the two fields in which you are most interested and enter the codes below. You may express your interests by indicating either a major field of work heading such as 001 for Engineering, or a specific heading within a major field such as 031 for Emissions Engineering. Also, indicate whether you would be most interested in supervisory (S) or non-supervisory (N) positions in those fields by placing an S or N in the space provided.

Enter S or N

Primary field of interest	
Secondary field of interest	

Section VI - Additional Comments: If there are further questions or points you would like discussed in your appraisal interview, note them here.

General Motors Corporation
PERFORMANCE APPRAISAL REVIEW FOR SALARIED EMPLOYEES

NAME: _____ S.S. # _____ JOB TITLE: _____ POSITION CODE: _____

TYPE OF APPRAISAL: ☐ REGULAR ANNUAL ☐ SPECIAL

APPRAISAL DATE:

<p>KEY JOB ELEMENTS:</p>	<p>PERFORMANCE SUMMARY:</p>
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Major responsibilities, primary duties, important functions of this employee.

Briefly summarize the employee's performance on each key element, noting major contributions and where effectiveness could be increased. Then check the column on the right which best describes the employee's performance compared to performance standards for each of the key elements.

**Outstanding
Performance;
meets standards
all of the time;
an achievable
but seldom
attained level
of performance**

**Superior
Performance;
meets standards
almost all
of the time**

**Highly
Effective
Performance;
meets standards
very frequently**

**Good
Competent
Performance;
meets standards
frequently**

**Needs Slight
Improvement;
meets standards
Infrequently**

Needs Much Improvement; meets standards very infrequently

APPENDIX E

GM FORM 1427

<p>SUPPLEMENTAL KEY JOB ELEMENTS: These elements must be used when appraising supervisory employees, and are to be used where applicable for non-supervisory employees. Summarize performance in the space provided. Note that the description accompanying each element contains only a few examples of the possible areas to be considered in evaluating performance on that element.</p>	<p>Outstanding Performance; meets standards all of the time; an achievable but seldom attained level of performance</p>	<p>Superior Performance; meets standards almost all of the time</p>	<p>Highly Effective Performance; meets standards very frequently</p>	<p>Good Competent Performance; meets standards frequently</p>	<p>Needs slight improvement; meets standards infrequently</p>	<p>Needs Much Improvement; meets standards very infrequently</p>
<p>ORGANIZE AND PLAN: Organizing the job; planning ahead; making efficient use of time; establishing effective follow-up procedures; makes product quality and reliability the first priority in planning; demonstrates commitment to the quality ethic, not only in the product area but in all aspects of the business.</p>						
<p>COMMUNICATE INFORMATION: Expression in both oral and written communication; organization of communication; appropriate use of language.</p>						
<p>WORK WITH OTHERS: Involving others in cooperative problem solving, planning and decision-making; encouraging suggestions; accomplishing results in a way which builds and maintains personal dignity, mutual respect, fair treatment and the free exchange of ideas.</p>						
<p>MEET EEO RESPONSIBILITIES: Achievement of organizational EEO objectives and timetables; demonstrating sensitivity in EEO areas; active implementation of management responsibilities in this area.</p>						
<p>DEVELOP SUBORDINATES: Training subordinates; giving instruction; coaching; counseling; appraising performance; referring employees to sources of assistance for solving personal problems that affect performance; teaches practices that maintain high product quality and reliability; promotes the quality ethic in all aspects of the business.</p>						

OVERALL PERFORMANCE DESCRIPTION: Check the description which best matches your estimate of the employee's overall performance. If the description is "needs much improvement", consult with the Personnel Department before conducting the appraisal

☐

Outstanding
Performance;
meets standards
all of the time;
an achievable
but seldom
attained level
of performance

☐

Superior
Performance;
meets standards
almost all
of the time

☐

Highly
Effective
Performance;
meets standards
very frequently

☐

Good
Competent
Performance;
meets standards
frequently

☐

Needs Slight
Improvement;
meets standards
infrequently

☐

Needs Much
Improvement;
meets standards
very infrequently

ACTION PLANS

What can the employee do to increase his/her effectiveness or make needed improvements? Note where training would be helpful.

What can management do to support the employee in his/her efforts to increase effectiveness or make improvements?

EMPLOYEE COMMENTS:

Were you given an opportunity to complete the appraisal worksheet? ☐ Yes ☐ No

Did you complete it? ☐ Yes ☐ No

Enter below any comments you wish to make about your appraisal.

APPRAISER COMMENTS:

Enter summary of the appraisal interview in the space below.

SIGNATURES:

Employee Signature _____ Date _____

Your signature does not necessarily signify your agreement with the appraisal; it simply means the appraisal has been discussed with you.

Appraiser _____ Appraiser's Supv. _____ Date _____

Personnel _____ Other _____ Date _____

Other _____ Other _____ Date _____

APPRAISAL SUMMARY FORM

Employee's Name: _____ Position Code: _____ (1-3) Card No. **H76**

(4-8) CISCO _____ (9-17) S.S. No. _____ (18-21) Department _____ (22-27) Appraisal Date: _____

A. OVERALL PERFORMANCE (From Performance Appraisal Review) Please circle one:

(28) ☒ 1 Outstanding Performance ☐ 2 Superior Performance ☐ 3 Highly Effective Performance ☐ 4 Good Competent Performance ☐ 5 Needs Slight Improvement ☐ 6 Needs Much Improvement

B. EMPLOYE INTERESTS (From Appraisal Worksheet) Primary S/N Secondary S/N
(29-31) (32) (33-35) (36)

Section C and D of this form indicate management's current estimate of the employee's potential and constitute no promise, guarantee or even prediction of what might happen in the future.

C. ESTIMATE OF POTENTIAL LEVEL

Considering the extent to which the employee demonstrates Consistency of Performance, Knowledge and Skills, Desire for Additional Responsibility, Ability to Work Independently, and Interpersonal Skills (definitions of these characteristics are on the back of this form), make an estimate of the potential level of responsibility which the employee could attain by career-end. Record that level in the space provided using a 2 digit number. For example, if the employee's career potential is for a 7th level position, record that as '07.' If the employee has potential for the unclassified level, record '00' in the appropriate space. International operations should use the Corporate approved unclassified level system to record the employee's unclassified potential level. After entering the GM potential level, indicate whether that is Classified (C) or Unclassified (U) by circling the appropriate letter.

GM Potential Level

(37-38)	(39) C U
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D. READINESS FOR OTHER ASSIGNMENTS

Considering the Overall Performance Rating, Employee Interests and Estimate of Potential Level, list up to three entries, identified by GM levels (indicated by two numbers as described above) and field of work codes, that represent logical next assignments in the employee's career. These may be promotional or lateral moves. For each assignment, indicate whether the position is Supervisory (S) or Non-Supervisory (N) in the S/N column. Also, indicate the employee's readiness for movement by use of the codes below:

Readiness Codes:

- A — Should be considered now
B — Should be considered with further training within a three-year period
C — Should be considered on a long-range basis having potential but requiring further experience and training beyond a three-year period.

Level	Field of Work Code	S/N	Readiness
(40-41)	(42-44)	(45)	(46)
(47-48)	(49-51)	(52)	(53)
(54-55)	(56-58)	(59)	(60)

SIGNATURES:

First Level Supervisor: _____ Date _____ Second Level Supervisor: _____ Date _____

Personnel: _____ Date _____ Other: APPENDIX F

GM FORM 1429

GUIDELINES FOR ESTIMATING AN EMPLOYEE'S POTENTIAL

Consider the following factors prior to making **Potential** determinations.

- **Consistency of Performance.** To what extent has performance been consistently high on all aspects of the job, over a period of time?
- **Knowledge and Skills.** To what extent does the employee have the educational background and skills needed to handle broader responsibilities?
- **Desire for Additional Responsibility.** To what extent has the employee sought and successfully handled assignments of above average difficulty or complexity?
- **Ability to Work Independently.** To what extent does the employee produce high quality work (responsive to organization needs) independent of close supervision and continual guidance?
- **Interpersonal Skills.** To what extent has the employee been able to influence others and maintain positive working relationships with other employees?